



FOR THE ATTENTION OF COMPANY'S SHAREHOLDERS

The Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh by its Order dated July 21, 2022 sanctioned the composite Scheme of Amalgamation and Arrangement under Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Act, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Scheme") for, *inter-alia*, demerger of the following undertaking from Yaari Digital Integrated Services Limited ("Yaari") to the Indiabulls Enterprises Limited ("IEL" or "Resulting Company"):

Undertaking	Name of Resulting Company
Infrastructure Solution business	Indiabulls Enterprises Limited

In terms of the Scheme, the assets and liabilities relatable to the Infrastructure Solution business have been transferred to the Resulting Company at values as appearing in the Books of Accounts of Yaari as on the opening hours of business on April 1, 2019 i.e. Appointed Date.

This information is for the shareholders about the method of calculation of the Cost of Acquisition and Date of Acquisition to the Resulting Company's shares and Cost of Acquisition of Yaari's shares as per the Provisions of the Income Tax Act, 1961 and is based on expert's opinion.

The cost of acquisition in respect of each shareholder will be different. The formula for ascertaining Cost of Acquisition in each case in IEL as provided in Section 49(2C) of the Income Tax Act, 1961 will be as under:-

Cost of acquisition of shares in Indiabulls Enterprises Limited (IEL) =

Cost of acquisition of shares in Yaari Digital Integrated Services Limited (Yaari) x $\frac{\text{Net book value of assets transferred to Indiabulls Enterprises Limited (IEL)}}{\text{Net Worth of Yaari Digital Integrated Services Limited (Yaari)*}}$

*pre-demerger

The cost of acquisition of the shares of Yaari in the hands of the respective shareholders will be reduced by the cost of acquisition ascribable to the shares in IEL.

For the purpose of determining the post demerger Cost of Acquisition of Equity Shares of Yaari and Resulting Company (IEL) under the Income Tax Act 1961, the Shareholders are advised to apportion their pre-demerger cost of acquisition of Yaari shares in the following manner:-

Name of Company	% of Cost of Acquisition of Yaari Shares
Cost of acquisition in Yaari Digital Integrated Services Limited	42.51%
Cost of acquisition in Indiabulls Enterprises Limited	57.49%

Yaari has been advised that as per Section 47(vii) of the Income Tax Act, 1961, the issue of shares by the Resulting Company, in a scheme of demerger to the Shareholders of the Demerged Company in consideration of demerger of the undertaking will not be regarded as transfer. Accordingly, Date of Acquisition of shares of the Resulting Company will be deemed to be the date when the equity shares of the demerged company (Yaari) were acquired.

This communication is for the benefit of the shareholders and Yaari Digital Integrated Services Limited / Indiabulls Enterprises Limited takes no express or implied liability in providing this guidance.